Fiscal Note 2017 Biennium

GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Bill #	SB0246		Title:	Revise laws restricting use of sick leave & vacation time

Primary Sponsor:	Pomnichowski, JP		Status:	As Introduced

☑	Significant Local Gov Impact	☑	Needs to be included in HB 2	☐	Technical Concerns
☐	Included in the Executive Budget	☑	Significant Long-Term Impacts	☐	Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2016 Difference	FY 2017 Difference	FY 2018 Difference	FY 2019 Difference
Expenditures:				
General Fund	$98,113	$98,113	$99,585	$101,078
State Special Revenue	$98,113	$98,113	$99,585	$101,078
Federal Special Revenue	$43,606	$43,606	$44,260	$44,924
Other	$32,705	$32,705	$33,196	$33,694
Revenue:				
General Fund	$0	$0	$0	$0
State Special Revenue	$0	$0	$0	$0
Federal Special Revenue	$0	$0	$0	$0
Other	$0	$0	$0	$0
Net Impact-General Fund Balance:	($98,113)	($98,113)	($99,585)	($101,078)

Description of fiscal impact: SB 246 would eliminate the 90 day continuous service requirement to receive sick leave payout upon termination as required in 2-18-618, MCA and it would also eliminate the 6 months of continuous service requirement to receive annual leave payout upon termination as required in 2-18-617, MCA. Eliminating these requirements would result in an increase in personal services costs anytime an employee leaves service prior to being employed by the state for less than 6 months.

FISCAL ANALYSIS

Assumptions:
State Agencies
1. The average number of employees that terminated during each of the past two calendar years (2013 & 2014) with less than 90 days of continuous service was 371.
2. The average number of employees terminated during each of the past two calendar years (2013 & 2014) with less than 6 months of continuous service was 685

3. The total average annual termination payout cost for sick leave for employees with less than 90 days of continuous service during the past two calendar years (2013 & 2014) would have been $31,545.
4. The total average annual termination payout cost for annual leave for employees with less than 6 months of continuous service during the past two calendar years (2013 & 2014) would have been $240,992.
5. The total average annual termination payout costs for both sick leave and annual leave combined during the past two calendar years (2013 & 2014) to those employees not eligible for accrued leave payout would have been $272,537.
6. The payout costs have been adjusted for inflation at 1.5% for FY 2018 and FY 2019.

	FY 2016 Difference	FY 2017 Difference	FY 2018 Difference	FY 2019 Difference
Fiscal Impact:				
FTE	0.00	0.00	0.00	0.00
Expenditures:				
Personal Services	$272,537	$272,537	$276,626	$280,774
TOTAL Expenditures	$272,537	$272,537	$276,626	$280,774
Funding of Expenditures:				
General Fund (01)	$98,113	$98,113	$99,585	$101,078
State Special Revenue (02)	$98,113	$98,113	$99,585	$101,078
Federal Special Revenue (03)	$43,606	$43,606	$44,260	$44,924
Other	$32,705	$32,705	$33,196	$33,694
TOTAL Funding of Exp.	$272,537	$272,537	$276,626	$280,774
Revenues:				
General Fund (01)	$0	$0	$0	$0
State Special Revenue (02)	$0	$0	$0	$0
Federal Special Revenue (03)	$0	$0	$0	$0
Other	$0	$0	$0	$0
TOTAL Revenues	$0	$0	$0	$0
General Fund (01)	($98,113)	($98,113)	($99,585)	($101,078)
State Special Revenue (02)	($98,113)	($98,113)	($99,585)	($101,078)
Federal Special Revenue (03)	($43,606)	($43,606)	($44,260)	($44,924)
Other	($32,705)	($32,705)	($33,196)	($33,694)

Effect on County or Other Local Revenues or Expenditures:

1. The changes proposed under SB 246 would only affect counties financially for employees that leave employment before completion of the qualifying periods, because counties would be required to pay any accrued leave that otherwise would be forfeited by employees that terminate before completion of the qualifying period. Although unable to quantify, the financial effect would be similar to that of state employees.

Sponsor's Initials	*Date*	*Budget Director's Initials*	*Date*